

E. ALLOCATIONS AND ORDERING:

Commodity allocation is a two-fold process. The PAL expected to be available is determined and provided to the SFA by the SDA. Foods are made available against the dollar level established.

1. Determination of Dollar Levels:

Each year USDA provides the SDA a dollar level of entitlement. This entitlement is determined by multiplying the number of reimbursable lunches served during the prior year (both actual and estimated) by the commodity assistance rate. Periodically, USDA adjusts the entitlement based on updated meal count data. SDA updates this information in January, and SFAs are notified of their new entitlement dollars, entitlement dollars used, and remaining entitlement dollars, on their Notice of Arrival form (KY FD 2) (Exhibit E-6).

It is important that SFAs understand the difference in a State's entitlement and a SFAs PAL. USDA is required by law to make available dollars/food to the State in accordance with the number of reimbursable lunches served times the authorized commodity assistance rate.

The State Distributing Agency (SDA) is expected to make available dollars/food to SFA's in an equitable (not necessarily exact) manner.

NOTE: While Breakfast data is not included in the computation;

commodities may be used for this meal.

2. Making Food Available:

Commodities purchased by USDA are based on a number of factors; such as: market conditions, school preference, amounts, types, and cost of foods available. Several activities occur at the State and local levels in the allocation process. These activities are:

a. Preference Reports:

The SDA and the Commodity Advisory Council (CAC) annually gathers information about the acceptability, packaging, form, etc., of commodities from all or from a sampling of SFA officials. The data is compiled and shared with the CAC for further recommendations. The completed report is sent to USDA and placed on the Food Distribution web site. Many of the commodity improvements (turkey roast, ground beef packaging, etc.) are a direct result of suggestions from the SFAs. SFAs are therefore encouraged to send SDA information regarding problems, desired improvements and suggestions at any time.

b. Survey:

In January, each SFA is provided a Commodity Food Preference Survey (Exhibit E-7). This survey asks SFAs to indicate which Group A foods (fruits, vegetables, meats, and poultry items) are desired and which are not. This survey also gives the SFA the

opportunity to select whether the item is desired canned or frozen, etc.

3. Ordering Commodities:

a. Group A Foods:

When USDA informs the SDA of actual or estimated quantities of specific Group A Commodities expected to be made available, the SDA allocates the commodities to the SFAs on as request basis using information from the Electronic Food Request (Exhibit E-8). When USDA offers less than a statewide allocation, the following criteria is used to allocate commodities, total cases request by each region, balance of entitlement dollars by region, and delivery capabilities. When the SDA commits to accept the commodity, the SFAs are notified of their allocated amount via the Notice of Allocation (KY-FD-1) Form (See Exhibit E-9). When the KY-FD-1 is received the SFA should review this form and determine if the amount allocated can be effectively used. If any changes need to be made, the SFA must immediately contact the SDA. If the SDA does not receive notification of any changes within 48 hours, USDA will ship the donated food(s) in the amount(s) listed to the location designated on the KY-FD-1 Form.

b. Group B Foods

Group B foods are available on an open-order basis. SFA's may

request for delivery the amounts of Group B foods that can be used without waste by completing the Electronic Food Request Form. Once the Electronic Food Request forms are received from all SFAs, SDA combines food request by item and places orders with USDA, according to SFA request.

Frequency of shipments is determined by the total amount of each food requested by all SFAs. Foods are ordered for more than one delivery period when requests by SFAs are sufficient to make statewide distribution.

Once orders have been placed with USDA, SFAs are notified monthly via the Notice of Allocation Form, (KY-FD-1) Form, of the food items ordered, amount of each food ordered, and the ship period.

If upon receipt of the KY-FD-1, the SFA determines it cannot use the amount of food requested, they must **immediately** inform the SDA. The SDA will attempt to transfer the food to another agency, if possible. The SFA will be responsible for the reallocation, and all delivery or transfer charges once the foods have arrived at the Distributor's Warehouse or other designated receiving point.

c. Bonus Foods:

There is not a PAL to limit the quantity or the dollar value of

Bonus foods a SFA can receive. While not limited to a PAL, these bonus items are provided to all SFAs on an "as requested" basis on the food request form, taking into consideration, surveys and delivery capabilities.